

CHRISTOPHER COX

CONGRESSIONAL COMMITTEE

July 13, 1995

Lawrence Noble, Esq.
General Counsel, FEC
999 E Street, N.W.
Washington, DC 20463

Dear Mr. Noble:

Our campaign committee recently received a request to return funds contributed in 1990. However, the request specified that instead of returning the funds to the donor, they should be returned to the receiver for certain of his companies. Before responding to this request, we would appreciate the Commission's opinion whether federal election laws and regulations permit this.

Four years after the contributions were made, the donor was charged and found guilty of defrauding investors. His companies are now under the control of a court-appointed receiver. The request to transfer campaign funds to the receiver comes from individuals who lost money through investing with the donor's companies.

The individuals making the request do not contest that the contributed funds were from the personal checking account of the donor, rather than from the funds of any of the donor's companies. Nonetheless, they appeal for campaign funds equal to the 1990 contributions on the grounds that the compensation was drawn from the fraudulent companies, and hence his personal funds were ill-gotten.

If permitted by relevant federal election law and implementing regulations, we intend to comply with the investors' request.

Based on these facts we would appreciate the Commission's opinion whether the 1990 campaign contributions may be refunded to the receiver rather than the donor without violating any federal election law or regulation. If so, we also ask your advice as to the proper reporting of such a refund.

Thank you in advance for you prompt consideration of this request.

Sincerely,


David W. Syme
Treasurer

P.O. Box 8088-C • Newport Beach, California 92658
Paid For By Christopher Cox Congressional Committee • Dave Syme, Treasurer



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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 21, 1995

David W. Syme, Treasurer
P.O. Box 8088-C
Newport Beach, CA 92658

Dear Mr. Syme:

This responds to your letter dated July 13, 1995, which requests an advisory opinion on behalf of the Christopher Cox Congressional Committee ("the Cox committee") concerning application of the Federal Election Campaign Act of 1971, as amended, and Commission regulations to the use of campaign funds for a payment to a court-appointed receiver.

Your letter states that the Cox committee proposes to honor a request that it return an amount equal to campaign contributions the committee received in 1990 from an unidentified donor. Some four years after making the contributions, this donor was charged and found guilty of defrauding investors in several companies which he owned. You explain that the 1990 contributions were made from the donor's personal accounts and are not alleged to have been made from the funds of his companies. Nonetheless, the persons making this request "appeal for campaign funds equal to the 1990 contributions on the grounds that the compensation was drawn from the fraudulent companies, and hence his personal funds were ill-gotten."

Representative Cox personally responded to a telephone inquiry Mr. Litchfield placed to you on July 14, and they discussed the facts and background of this inquiry. Mr. Litchfield also reviewed briefly the advisory opinion procedure and explained that additional information would be needed to provide a complete description of the situation presented in your inquiry. See 11 CFR 112.1(c), (d). We understood that Mr. Cox or you would respond with the necessary information. The questions are as follows.

1) Please provide a copy of any request letter or other document that the Cox committee or its personnel have received with respect to the 1990 contributions mentioned in your letter.

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

2) Please provide documents from relevant court proceedings that identify the corporations that are under the control of the court-appointed receiver and that explain the nature of the receivership. For example, is there a designated bankruptcy trustee in this matter, or is this another type of receivership? If official court documents are not readily available, provide pertinent news articles that contain such information.

3) If not indicated in documents submitted in response to the above, describe the rank or priority of claims that the receiver must honor in distributing any funds or assets that he/she obtains from the Cox committee or any other person.

4) Please state the extent to which, if at all, the court-appointed receiver may distribute funds or assets to persons in any of the following categories: Mr. Cox or members of his family; persons presently employed by the Cox committee or on Mr. Cox's congressional staff; persons currently sharing any ownership interest with Mr. Cox in any business or investment venture or who have had such an attachment with him in the last three years.

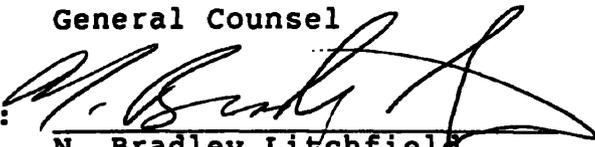
Upon receiving your responses to the foregoing questions and requests for documents, this office and the Commission will give further consideration to your inquiry as an advisory opinion request. If you have any questions about the advisory opinion process or this letter, please feel free to contact Mr. Litchfield at (202) 219-3690.

This letter is being sent by fax to the Congressional office of Mr. Cox, given the stated urgency of your inquiry, with a first class mailing to your address. Mr. Cox or you may reply by fax if desired, but a signed, original letter is also needed for record purposes. The fax number for this office is (202) 219-3923.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


N. Bradley Litchfield
Associate General Counsel

CHRISTOPHER COX
CONGRESSIONAL COMMITTEE

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Aug 11 12 37 PM '95

August 9, 1995

Mr. N. Bradley Litchfield
Associate General Counsel
General Election Commission
999 E Street, Northwest
Washington, D.C. 20463

AOR 1995-29

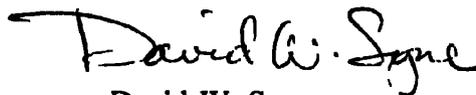
Dear Mr. Litchfield:

This is in response to your letter of July 21, 1995, regarding my request for informal advice on behalf of the Christopher Cox Congressional Committee. In your letter you asked for additional information under four separate categories. The following provides the information you have requested.

1. Enclosed is a copy of the letter I received from the "First Pension Ad Hoc Investors Committee." This letter requests the return of campaign contributions which is the subject of my request for your informal advice. This is the only document I have received relating to this matter.
2. Enclosed are copies of newspaper articles describing the receivership.
3. We do not have, nor could we easily obtain, relevant documents describing the rank or priority of claims that the receiver would follow in distributing funds or assets.
4. Neither Congressman Cox, members of his family, persons presently employed by Mr. Cox, nor any persons currently sharing any ownership interest with him in any business or investment venture presently or within the last three years stands to receive any funds that might be distributed by the receiver.

I trust this information is fully responsive to your request. Please let me know if you require additional information related to this matter.

Sincerely,



David W. Syme
Treasurer

Enclosures

P.O. Box 8088-C • Newport Beach, California 92658
Paid For By Christopher Cox Congressional Committee • Dave Syme, Treasurer



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June 7, 1995

RECEIVED

JUN 7

CHRISTOPHER COX M.C.
DISTRICT OFFICE

Congressman Christopher Cox
4000 MacArthur Boulevard
East Tower, Suite 430
Newport Beach, CA 92660

Re: *Return of Campaign Contributions from William E. Cooper*

Dear Congressman Christopher Cox :

We have formed an ad hoc committee to work with over 7,000 other investors who were victimized by the criminal fraud of William E. Cooper through his First Pension company. First Pension was an administrator for self-directed pension plans. You may be familiar with this matter from recent media coverage. The enclosed article from the *Orange County Register*, dated May 14, 1994, generally explains the fraud. Basically, Mr. Cooper surreptitiously commingled and misappropriated investors' money for his personal use. The investors, many of whom are elderly retirees, were damaged by Mr. Cooper when he operated a massive fraud that swindled the investors out of their retirement savings in excess of \$124 million. Mr. Cooper was found guilty of fraud and sentenced to 10 years in prison. Several associates were also sentenced.

At a meeting on June 1, 1995, which was attended by several hundred investors, it was proposed that we contact you because it was discovered that Mr. Cooper made contributions to your campaign or organization and many other politicians during the perpetration of his fraudulent scheme. Enclosed for your convenience are copies of checks made payable to your campaign or organization. We believe that these contributions were paid with money stolen from investors, without their knowledge or consent. Incredibly, Mr. Cooper contributed tens of thousands of dollars in this manner to support politicians such as you.

We and the other investors are working closely with the court appointed Receiver, Donald W. Henry, who has been charged with the recovery of the investors' assets. We respectfully request and appeal to your sense of fairness to the defrauded investors that you return all contributions which came from Mr. Cooper or any of his related entities. Please review your records for contributions in addition to those identified above and return the contributions to:

Donald W. Henry, Receiver
Class Action Claims Administrator
5525 Oakdale Avenue, Suite 165
Woodland Hills, California 91364

We thank you for your assistance in this matter. If you have any questions or would like additional information, please do not hesitate to contact Mr. Henry's office at (818) 348-1244.

Sincerely,

First Pension Ad Hoc Investors' Committee

Enclosures
cc: D.W. Henry, Receiver

WILLIAM E. COOPER
1507 WEST YALE AVENUE 714-998-7797
ORANGE, CALIFORNIA 92667-3447

NO 9562

CALIFORNIA CITY BANK
National Association
171 SOUTH MAIN STREET
ORANGE, CALIFORNIA 92668
95-4888/1282

PAY ONE THOUSAND DOLLARS AND NO XX/100*****

TO Christopher Cox Congressional Committee
I.D. #125920
THE P.O. Box 8088-C
ORDER Newport Beach, CA 92658
OF

DATE 7/24/90
AMOUNT \$ 1,000.00

NOT NEGOTIABLE

⑈0009562⑈ ⑆122240007⑆ 001⑆119463⑆

⑈2000⑈ SECURITIES PRINTERS, INC.

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

WILLIAM E. COOPER - Orange, California 92667-3447

7/24/90 Christopher Cox Congressional Committee \$1,000.00
I.D. #125920

William E. Cooper

1507 West Yale Avenue
Orange, California 92667
714-928-7787

April 23, 1991

Congressman Christopher Cox
P.O. Box 8088-C
Newport Beach, CA 92658

Dear Christopher Cox,

Terri and I are unable to attend the Congressional Club meeting, I'm having a surprise birthday party for Terri on the same day.

We have a large home in Villa Park which is ideal for parties and receptions, and would enjoy hosting your next Congressional Club meeting.

If we can host a meeting for you, please call so we can make the arrangement.

Regards,

Bill
William E. Cooper

REC FDFS

004796

12-15-94

William E. Cooper

1507 West Yale Avenue
Orange, California 92667
714-998-7787

July 16, 1991

Larcella
Congressman Cox
3848 Campus Dr., Suite 113
Newport Beach, CA 92660

Dear Larcella:

Enclosed is a copy of a map to our home. We look forward to hosting the event on August 11th.

If you should have any further questions, please call me.

Regards,


William E. Cooper

WEC/ld
enclosure

REC FDFS

004787

12-15-94

F

WILLIAM E. COOPER
 1287 WEST VALLI AVE. 714-885-7777
 ORANGE, CALIFORNIA 92667-2047

No 7734

AMERICAN EXPRESS MONEY ORDER
 10 U.S. PERCENT
 AMOUNT: \$500.00
 10-4827128

PAY FIVE THUNDRED AND NO/100

	DATE	AMOUNT
TO Christopher Cox for Congress 4200 Campus Drive, STE 105 Newport Beach, CA 92660 OR ORDER Treasurer: Dave Syme ID#125920	10/18/88	\$500.00**

⑈007734⑈ ⑆122240528⑆ 001-222742⑈

PAID BY: OTHER THE STATEMENT OTHER DEBITOR

WILLIAM E. COOPER - Orange, California 92667-2047

DATE	DESCRIPTION	AMOUNT
10/18/88	Two tickets One Enchanted Evening for Christopher Cox for Congress ID #125920	\$500.00**



Please reserve _____ tables of 10 @ \$2,500.00 per table. I will cover my drinks and appetizers to attend. Please send me _____ reservations.
 Please reserve _____ tables at \$250.00 per person.
 Regrettably, I can't attend. However enclosed is a contribution of \$_____ for the Christopher Cox for Congress Campaign.

*FEC law permits individuals to contribute a total of \$1000 per election (primary being unusual general election). If you did not contribute in the primary, you may contribute up to \$3000 per person this year, designating \$1000 for the primary and \$2000 for the general. Federal law prohibits corporate contributions.

Please make checks payable to: Christopher Cox for Congress
 4200 Campus Dr., Ste 105
 Newport Beach, CA 92660
 Treasurer: Dave Syme

REC FDFS	000851	12-15-94
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Los Angeles Times
Friday, September 30, 1994, Orange County Edition
California Central Trust Bank Appointed to Administer First Pension
Accounts

BYLINE: DEBORA VRANA; TIMES STAFF WRITER
SECTION: BUSINESS; PAGE: D-6

IRVINE -- A federal bankruptcy judge on Thursday appointed California Central Trust Bank to administer about \$250 million worth of investments remaining in failed First Pension Corp., one of Orange County's longest-running pyramid schemes.

U.S. Bankruptcy Judge Lynne Riddle turned over to the Costa Mesa company, known as CalTrust, the chore of managing the accounts for most of First Pension's nearly 8,000 clients.

In about three weeks, CalTrust plans to provide investors with easy access to their accounts for the first time since all assets at the Irvine pension management firm were frozen in late April.

"Hopefully, we can get these investors on the road as fast as we can. They've been through a tough time," said Roni Renfro, president of CalTrust, a limited-service bank with \$155.7 million in investments and other assets. "We're starting the process. Everything will be housed here by Oct. 17."

First Pension owners William E. Cooper, Valerie Jensen and Robert E. Lindley have pleaded guilty to defrauding investors of \$121.5 million in an elaborate pyramid scheme through investments in mortgages that did not exist. The three are scheduled to be sentenced in U.S. District Court in Los Angeles on Nov. 10.

The assets being transferred to CalTrust involve about 7,000 accounts, mostly individual retirement accounts invested in stocks, bonds and mutual funds. CalTrust will not be administering funds invested in the mortgages that did not exist.

CalTrust is receiving records from both First Pension and Summit Trust Services of Colorado, the now-failed trust company created by First Pension's three owners to handle client money.

Investors have about 45 days to decide if they want their accounts to remain at CalTrust or if they prefer to transfer funds to another pension administration company.

Courts: Lawyer will try and find any remaining assets. An estimated \$121 million is missing.

BYLINE: DEBORA VRANA; TIMES STAFF WRITER

SECTION: BUSINESS; PAGE: D-5

IRVINE -- In an attempt to recover missing funds for investors, a federal judge this week appointed a receiver to ferret out any remaining assets in the allegedly phony mortgage pools operated by First Pension Corp., the failed pension management firm.

U.S. District Judge Harry L. Hupp on Thursday appointed Donald W. Henry, a Woodland Hills lawyer who specializes in real estate-related receiverships, as the receiver for the web of entities and partnerships affiliated with Irvine-based First Pension. The receivership was requested by the Securities and Exchange Commission.

Companies that Henry will oversee are BMF Management Inc. and the BMF mortgage pools; Vestcorp Securities Inc.; Amerispec Inc., the home inspection company based in Orange; First Diversified Financial Services; Outpatient Surgery Center of California; Surgical Center Management; Anaheim Surgery Center; Euclid-Ball ASC, Ltd., and Mitchell North Partners, Ltd.

The SEC has alleged that the owners of First Pension operated a massive pyramid scheme for years, enticing investors into allegedly phony mortgage pools by promising returns of as much as 20%. An estimated \$121 million of investors' funds are missing, the SEC said.

The three operators of First Pension are scheduled to appear in federal court in Los Angeles at 10 a.m. Monday to plead guilty to two counts of mail fraud each. The charges carry a maximum prison term of 10 years, U.S. attorneys said.

DESCRIPTORS: FIRST PENSION CORP; INVESTMENT FRAUD; MAIL FRAUD; PYRAMID SCHEMES; FRAUD ORANGE COUNTY

Andrew Snyder, the court-appointed receiver for Summit, said he is still trying to create a distribution plan for the remaining \$9 million of the \$34 million in client funds that Summit was supposed to hold.

DESCRIPTORS: CALIFORNIA CENTRAL TRUST BANK; FIRST PENSION CORP;
INVESTMENT FRAUD ORANGE COUNTY; COURT RULINGS; BANKRUPTCY

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